BRITISH COLUMBIA
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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 09-48* *December 4th, 2009*

- **Unemployment rate remains unchanged at 8.3% in November**
- **79% of collisions caused by human actions or conditions; 19% related to driving conditions**
- **Investment in residential construction down 27.6% in the third quarter**

Labour Force Survey

- **The province's unemployment rate was 8.3% *(seasonally adjusted)* in November, unchanged from the previous month.** The static jobless rate came about as marginal gains in employment (+0.4%, an addition of 9,900 jobs) were offset by a slight increase in the number of people either working or looking for work (+0.5%). November's job gains were distributed relatively evenly among men (aged 25+), women (aged 25+), and youth (aged 15-24).

  The number of jobs in the province's goods sector slumped (-2.9%), with the construction (-1.8%) and manufacturing (-3.7%) industries each shedding a portion of their workforces for the second consecutive month. While utilities (+2.9%) saw modest job gains, the number of workers in forestry, fishing & mining (-2.3%) and agriculture (-8.4%) fell.

  The service sector showed more promise in November, with employment expanding 1.3%. Seven industries added to their workforce, with "other" services (+8.5%), educational services (+5.0%), information, culture & recreation (+4.7%), and professional, scientific & technical services (+4.3%) posting the largest increases. Conversely, notably fewer were employed in trade (-1.8%) and transportation & warehousing (-2.2%).

  Data Source: Statistics Canada

- **Compared to this time last year, the province's Aboriginal labour force (aged 25+) has shrunk by 7.5% (3-month moving average, unadjusted), and employment has declined by 8.2%.** Comparatively, among the non-Aboriginal population (aged 25+), the labour force has grown by 2.4%, and employment is down only 0.1% compared to the same time last year. *Data Source: Statistics Canada*

- **Among the province's regions, jobless rates ranged from 5.8% (*3-month moving average, unadjusted*) in Northeast to 12.0% in Cariboo.** Compared to the same month of 2008, the job market improved in Thompson/Okanagan (3.8%), but all other regions continued to see job losses.

  Data Source: Statistics Canada

- **Canada's unemployment rate inched down 0.1 percentage points to 8.5% *(seasonally adjusted)* in November, with an addition of 79,000 jobs.** Most of the gain in overall employment was among women aged 25 to 54 (+51,000) and men aged 55 and over (+17,000). The most notable increases in employment were made in Quebec (+0.6%) and Ontario (+0.4%). *Data Source: Statistics Canada*

The Economy

- **Residential construction investment in the province continued to fall in the third quarter.** Total spending was down 27.6% *(unadjusted)* from the same quarter of 2008, following a similar year-over-year decline in the second quarter (-25.1%). Spending on new construction projects plunged (-49.8%) but renovation expenditures were up 13.3%.

  Newfoundland (+11.5%) was the only province to record an increase in residential investment. Nationally, spending was off 14.7%, largely due to weakness in Alberta (-23.4%), BC and Saskatchewan (-29.0%).

  Data Source: Statistics Canada

Report China Continues to Buy B.C. Goods

Did you know...

Nearly half (44%) of British Columbians intend to spend less this holiday season than last year. *Source: Ipsos Canada*

Agriculture

- **Last year, BC farmers earned an average of 7 cents for every dollar's worth of sales.** Average operating revenues per farm (for farms with at least $10,000 in revenues) were $351,691, of which $325,478 went to cover operating expenses. This means that a typical BC farm had net earnings of $26,213 in 2008. Nationally the average farm earned $44,054 in operating income. Although Canadian potato farming generated the highest net income ($165,666), other types of farms showed a bigger margin to sales ratio. Operating margins for oilseed and grain farmers were the highest, at 24 cents for every dollar of revenue, and dairy farming had the second highest margin rate (23). Operating margins were lowest for hog (2) and cattle farmers (6). BC was home to five percent (9,070 farms) of the nation's farms in 2008. *Source: Statistics Canada*

Traffic Collisions

- **In 2007, 79% of automobile collisions in BC involved human action or condition, while a further 19% were related to environmental conditions.** Inattentive driving (19%) and speeding (11%) contributed to a significant number of casualty collisions (those resulting in injury or fatality). Failing to yield right of way (8%), alcohol (6%) and following too closely (5%) were among other human-related factors contributing to car accidents in 2007. Speed was a factor in approximately 41% of all reported fatal collisions and 32% involved alcohol.

  Young drivers (aged 16 to 20) made up just six percent of all licensed drivers in 2007, but they accounted for 12% of all drivers involved in collisions. The likelihood of being involved in a collision significantly decreases after the age of 30. More males were involved in collisions than females in almost all age categories. Of all drivers of vehicles involved in collisions resulting in injury or fatality in 2007, 62% were male.

  As in previous years, more casualty collisions happened on Friday (15.8%) than on any other day of the week. The highest number of collisions reported in 2007 occurred in July, and the smallest number was reported in April. *Data Source: Insurance Corporation of British Columbia*

The Nation

- **Canadian manufacturers' prices were substantially lower (-6.3%) this October than in the same month last year.** A 20.0% year-over-year plunge in the price of petroleum & coal products was the largest contributor to the overall decrease. Prices for chemicals (-10.9%) and motor vehicles & other transportation equipment (-6.7%) also continued to exert deflationary pressure.

  BC softwood lumber prices were 10.0% below 2008 levels. Both Coastal (-11.7%) and Interior (-9.2%) producers received notably less for their product than they had a year earlier. Meanwhile, prices for BC wood pulp fell 7.4%.

  Following a sharp drop in September (-21.4%), the Raw Materials Price Index (RMPI) fell another 7.6% in October. Downward pressure on the RMPI was again due mostly to weakness in prices for mineral fuels (-12.3%). *Data Source: Statistics Canada*

- **The Canadian economy grew 0.1% (*seasonally adjusted*) in the third quarter, the first quarterly gain since the third quarter of 2008.** GDP growth was bolstered by strong domestic demand for goods and services, with final domestic demand (consumer, business and government spending) advancing 1.2%. Both exports (+3.6%) and imports (+8.0%) expanded as a result of stronger markets for goods and services. Personal consumption (+0.8%) was up during the quarter, while the increase in fixed capital investment by business (+1.4%), particularly machinery & equipment (+5.9%), was much sharper, pushing final domestic demand higher.

  Data Source: Statistics Canada

***Infoline** Issue: 09-48*
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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Dan Schrier
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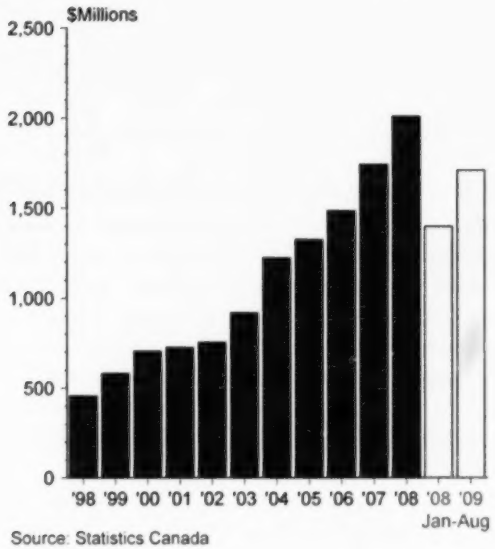
originally published in
Exports Issue 09-08

China Continues to Buy B.C. Goods

British Columbia's export picture has been bleak so far this year, but one of the few bright spots has been a substantial increase in shipments to Mainland China. Year-to-date to August, exports of goods from BC to Mainland China have jumped 22% compared to the same eight-month period in 2008. This growth continues a decade-long trend that saw the value of BC's exports to China climb 339% from 1998 to 2008.

BC commodity exports to Mainland China have increased steadily over the last decade and so far 2009 has been no exception

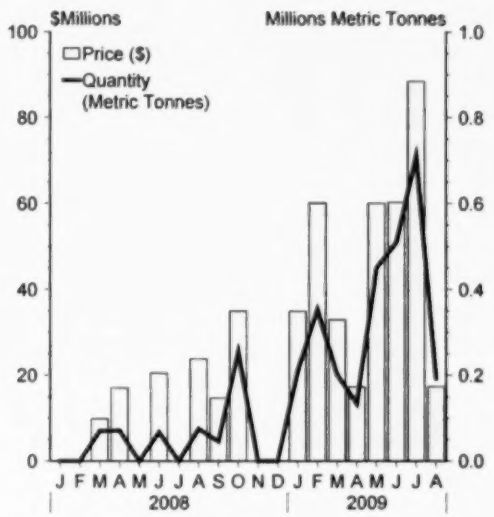


Source: Statistics Canada

The growth in exports to China has primarily been centred on raw materials, as shipments of manufactured goods such as machinery and equipment (-16.1% year-to-date) and fabricated metal products (-43.8%) have fallen. By way of contrast, there have been substantial increases in exports of coal, metallic mineral products and lumber.

The value of BC's exports of coal to China has skyrocketed by 421% year-to-date; however, the price of coal has declined over the last year, such that the increase in volume of coal shipped is even larger, at 869%, or almost ten times the amount shipped in the first eight months of 2008. Coal has increased its share of BC's total commodity exports to China from about 5% in the January to August period of 2008 to 22% in the same period in 2009.

BC's shipments of coal to Mainland China have increased substantially in 2009



Source: Statistics Canada

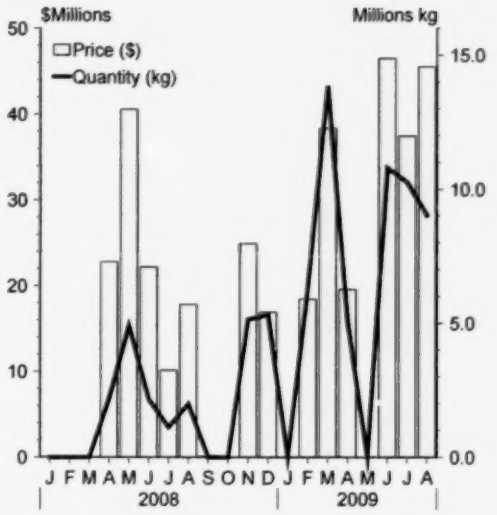
China's increased appetite for coal is due to at least a couple of factors. Issues surrounding domestic supply were part of the reason for the jump in coal imports into China, as many of the smaller, high-cost mines were shut down as a result of the global financial crisis. Also, many of the domestic users of coal purchased the commodity from foreign sources while attempting to coerce better prices from local producers. Stockpiling may be another factor in the rise in coal imports as China has been restocking its reserves of several commodities, coal included.

There are some signs indicating that China's coal imports will start to decline over the remainder of the year and probably into next year. Stockpile inventories are more or less at capacity, while domestic production is increasing as some of those small mines that were closed are being re-opened. The resulting increase in domestic supply, combined with reduced demand for products of the steel industry, which is a major user of coal, will reduce the need for imports. In fact, there was already a drop in Chinese imports of coal between July and August, including that shipped from British Columbia (from 710,675 metric tonnes to 193,369).

The same kinds of issues that supported the jump in Chinese imports of coal have also affected metallic minerals, particularly copper, iron ore, nickel, aluminum and zinc. As a consequence of the global recession, metal prices fell significantly, which resulted in the closure of some high-cost metal mines in China, thereby reducing domestic supply. At the same time, the Chinese government and private producers have been replenishing reserves of various metal ores, taking advantage of the lower prices and reduced shipping costs. As a result of the demand from China, prices for most metals have since rebounded. For example, copper prices have more than doubled from their lows last year.

Copper ores and concentrates are the most significant metallic mineral export from BC to Mainland China. Over the first eight months of 2009, the value of exports of this commodity to China has increased 81% compared to the same period in 2008, despite lower prices for the good, as the quantity of copper ores and concentrates shipped has more than quadrupled.

BC's shipments of copper ores and concentrates have also jumped in 2009

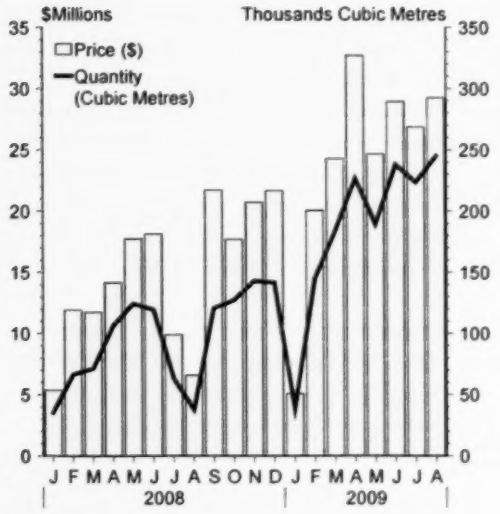


Source: Statistics Canada

With inventories near capacity and demand for manufactured products still sluggish, there could be a drop in Chinese imports of metallic minerals, particularly since domestic production has picked up. This could affect metal prices and may dampen BC exports of metallic mineral commodities.

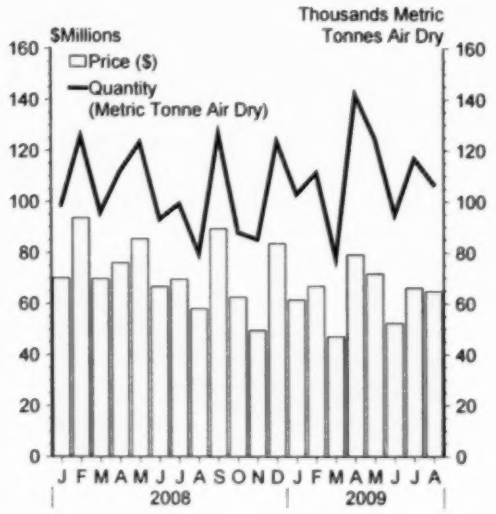
Another commodity that has benefited from demand from China is softwood lumber. Year-to-date to August, the value of lumber exports to Mainland China has doubled. In fact, in volume terms, China has surpassed Japan as a destination for BC lumber. However, China's lumber purchases have been concentrated on lower value lumber, particularly beetle-killed wood, such that Japan still ranks well ahead of China in terms of value of lumber exports from British Columbia.

BC's exports of softwood lumber to China have experienced significant growth



Source: Statistics Canada

Due to lower prices, BC's exports of pulp to China have dropped in value despite an increase in volumes shipped



Source: Statistics Canada

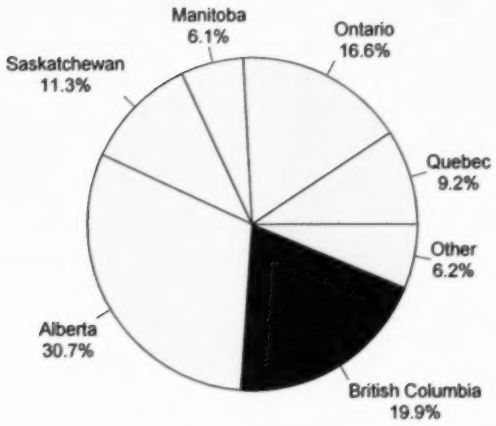
China's demand for economy-grade wood has been a boon to regions suffering from the blight of the pine beetle as the Chinese are buying up as much of the low grade lumber as the mills can produce.

Elsewhere in the forest sector, the story is not quite as positive. BC's largest export to Mainland China is pulp, but low prices have reduced the value of exports of pulp to China by 14% year-to-date, despite a modest 6% increase in quantity of pulp shipped. Pulp has slumped from representing around 42% of BC's exports to China over the first eight months of 2008, to only 30% so far in 2009. However, pulp prices are starting to go up again and Chinese demand for pulp has not waned, so it is possible that the value of BC's pulp exports to China will improve over the remainder of the year.

Across Canada, China's appetite for raw materials has also triggered export growth for a number of other provinces. The largest percentage growth in shipments to Mainland China was from the Atlantic Provinces, specifically New Brunswick (249% jump year-to-date) and Newfoundland and Labrador (144% increase). For both these provinces, a boost in shipments of ores drove much of the increase. Saskatchewan has seen exports to China climb 41% so far in 2009, mostly on the strength of a more than two-fold jump in shipments of oil seeds.

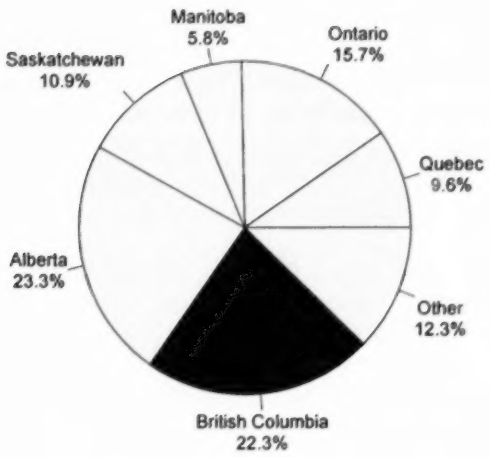
At the other end of the scale, Alberta has experienced a 27% drop in exports to Mainland China in 2009 due in large part to substantial declines in shipments of sulphur and organic chemicals. Alberta ranked first in Canada as a source for commodity exports to China in 2008, but the increases in BC and Atlantic Canada in particular have chipped away at Alberta's share of exports, such that BC has almost equalled Alberta as a source for Canadian commodity exports to Mainland China so far in 2009.

In 2008, British Columbia ranked second among the provinces as a source for Canadian commodity exports to Mainland China



Source: Statistics Canada

...Year-to-date in 2009, British Columbia has almost equalled Alberta



Source: Statistics Canada

At first glance, it may seem odd that Ontario and Quebec do not have a larger share of Canadian exports to China, but this can be explained by looking at the types of goods that China imports. Both Ontario and Quebec have large manufacturing sectors and a large portion of exports from those provinces are manufactured goods, but China's imports from Canada tend to be raw materials for input into its own manufacturing production, or food products to feed its populace. These are the types of goods that make up a much larger proportion of exports from BC, Alberta and Saskatchewan.

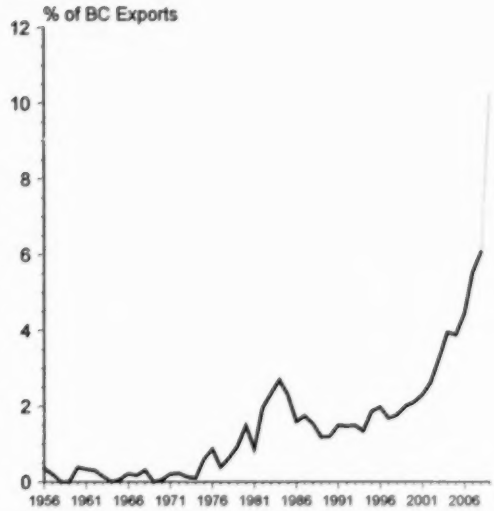
There are opportunities to expand Canada's exports to Mainland China beyond the resource sector. China is an enormous market that has been neglected to some extent by Canada. Prior to 2009, China's share of total Canadian commodity exports had never exceeded three percent. In fact, the 2.4% share achieved in 1962 marked the high point.

Until 2009, Canada has not put much emphasis on trade with China: 1962 was the high point in share of commodity exports prior to this year

Sources: Statistics Canada, Canada Yearbook

However, over the first eight months of 2009, China's share of Canadian commodity exports has climbed to 3.5%, indicating that Canada may finally be making an attempt to tap this huge market. It appears that British Columbia was far quicker to recognize China's potential, as China's share of BC's exports has been climbing steadily over the last decade, rising from 2% in 1999 to 6% in 2008. In 2009, China's share of BC's exports has climbed even higher, to over 10%.

On the other hand, British Columbia has been ramping up exports to Mainland China for the last decade



Sources: Statistics Canada, BC Stats

Given the size of China's economy, it is inevitable that it will play a significant role in the recovery from the global economic downturn. However, there are some potential roadblocks that could hinder that recovery. China and the United States are currently embroiled in a trade spat that could have global implications. The United States implemented a 35% duty on tires manufactured in China that are designed for passenger cars and light trucks. China responded by initiating an anti-dumping probe on imports of American car parts and chicken products. These moves were made despite a commitment made by the G20 leaders last November to refrain from policies that might impede trade. This type of tit-for-tat protectionism is exactly what they were trying to avoid as they have the potential to trigger further actions that could harm recovery efforts.

British Columbia's exports have been hit hard by the global economic slowdown and anything that will slow recovery will almost certainly have a negative impact on BC. The rise in exports to Mainland China has been one of the few bright spots in an otherwise dismal year for BC exports. While it is possible that there will be a reduction in shipments to China over the remainder of the year as inventories in that country reach capacity, it remains a positive sign that BC in particular, and Canada as a whole, have managed to boost their exports to one of the world's largest markets. The challenge will be to not only repeat that performance, but to expand that trade even further.

Infoline

December 4, 2009
Issue 09–48

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jul1/2009	% change on one year ago
BC	4,455.2	1.6
Canada	33,739.9	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	2,721	2.1
Merchandise Exports - Sep	1,896	-2.8
Retail Sales - Sep	4,559	1.8
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Oct 2009)		
BC	-0.6	0.2
Vancouver	-0.6	0.3
Victoria	-0.5	0.3
Canada	0.1	0.4
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Nov '09	
Labour Force - BC	2,472	0.5
Employed - BC	2,267	0.4
Unemployed - BC	205	0.7
		Oct '09
Unemployment Rate - BC *(percent)*	8.3	8.3
Unemployment Rate - Canada *(percent)*	8.5	8.6
INTEREST RATES (percent)	Dec 2/2009	Dec 3/2008
Prime Business Rate	2.25	4.00
Conventional Mortgages - 1 year	3.60	5.60
- 5 year	5.59	6.95
US-CANADA EXCHANGE RATE	Dec 2/2009	Dec 3/2008
(avg. noon spot rate) Cdn $ per US $	1.0468	1.2573
(closing rate) US $ per Cdn $	0.9522	0.7978
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Nov '09	
BC	802.41	1.6
Canada	811.48	1.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Population Highlights - NEW

Population Highlights is a new BC Stats periodical that replaces both Migration Highlights and Immigration Highlights. This release provides detailed current information on population flows between British Columbia and other provinces/territories and the rest of the world, as well as other components of population change. Also, a feature article provides additional analysis on a topic of interest related to migration or immigration issues.

www.bcstats.gov.bc.ca/pubs/pr_pop.asp

Small Business Profile 2009

The 2009 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus.asp#sbp

Population & Household Projections

The latest British Columbia population projections (PEOPLE 34) are now available. BC Stats produces population and household projections for British Columbia and for a number of sub-provincial geographies in the province, including: Development Regions, Regional Districts, Health Authorities, Health Service Delivery Areas, Local Health Areas, College Regions, School Districts, and six Special Regions.

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp

Released this week by BC Stats

- Business Indicators, November 2009
- Tourism Sector Monitor, November 2009
- Labour Force Statistics, November 2009
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Next week

- Earnings & Employment Trends, Nov. 2009
- Quarterly Regional Statistics, 3rd Quarter 2009
- Exports, October 2009

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